



Associate Deputy Minister Public Works and Government Services Canada

ADDRESS TO THE WORLDWIDE SECURITY COOPERATION CONFERENCE



ALEXANDRIA, VIRGINIA
OCTOBER 17, 2002



PERSPECTIVES OF A FRIEND AND ALLY



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A STRONG FOUNDATION FOR COOPERATION

- A model of cooperation for public safety
- An inextricable bond with respect to national security
- Canadian support and initiatives in the wake of September 11



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GENESIS OF THE CONTROLLED GOODS PROGRAM

- Up to 1999 - controlled goods and technology destined to Canada were “exempt” from much of the licensing requirements under the US ITARs
- April 1999 - exemption significantly reduced
- October 1999 - the Prime Minister and President agreed in principle to re-establish the ITAR Canadian Exemption



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GENESIS OF THE CONTROLLED GOODS PROGRAM - CONT'D

- Harmonization of US Munitions List and Canada's Export Control List
- Amendment of Part 2 of the Defence Production Act to create the Controlled Goods Program
- May 31, 2001 - Canadian and US regulation came into effect - exemption partially restored



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BENEFITS OF THE CONTROLLED GOODS PROGRAM

- Help maintain the exemption for Canada
- Enhance Canada's competitive position relative to other partner countries and promote viability of Canadian industries
- Maintain confidence in Canada's ability to protect controlled goods and technologies



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COOPERATION WITH THE US

Peace Bridge



- Secure North American perimeter
- Facilitate transfer of goods between US and Canada
- Canada a possible model for ITAR exemption with other countries (UK and Australia)
- Outreach with US government to US companies to promote the use of the exemption



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CANADA'S PARTICIPATION IN SECURITY ASSISTANCE

- US national interests in Security Assistance/Foreign Military Sales and Canada's interests - a win-win situation
- Role of Public Works and Government Services Canada in defence procurement
- The Canadian procurement system and how Foreign Military Sales fits within this system
- FMS is a key element of the Canadian defence support strategy



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CANADA'S PARTICIPATION IN SECURITY ASSISTANCE - CONT'D

- Enduring Freedom and G8 Summit
- Impact of FMS restrictions on US suppliers who wish to bid on Canadian competitive procurements





FMS BUSINESS VOLUME AND STATISTICS

- \$2 billion (CDN) in active agreements
- 663 open FMS cases
- \$120 to 150 million average renewal rate
- FY 2001/02 \$185 million



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NEW ACTIVITY AND ACHIEVEMENTS

- Canada's participation in FMS r
 - Surcharges
 - Cooperative logistics
 - Performance measures and DSCA's Security Cooperation Deputies' Forum
- Chairmanship of Foreign Procurement Group
- New signator to the Accelerated Case Closure Program
- Exploring new commercial banking arrangements



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THE WAY AHEAD

- Build on the excellent relationships and rapport with DSCA and other USG officials
- Strongly support DSCA's championship of increased customer involvement and visibility in FMS
- Need for a better definition of the business case value of Foreign Military Sales, so that FMS can be fairly considered as a viable alternative to other methods of supply



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